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E.O. 11652:GDS

TAGS:PFOR, PN

SUBJ: U.S.-PANAMA TREATY NEGOTIATIONS: WEEKLY ACTIVITIES
REPORT- JULY 16 - JULY 22

1. NEGOTIATIONS. AMBASSADORS BUNKER AND LINOWITZ MET WITH
THE PANAMANIAN NEGOTIATORS JULY 18 AND 20 IN FORMAL
NEGOTIATING SESSIONS. AMONG THE SUBJECTS DISCUSSED WERE
LANDS AND WATERS, CANAL EXPANSION, LABOR MATTERS, UNRELATED
ACTIVITIES (MILITARY AND NON-MILITARY), AND A DRAFT TREATY
AND IMPLEMENTING AGREEMENT. AT A MEETING OF THE LANDS AND
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WATERS SUBGROUP, PANAMA SUBMITTED A WRITTEN VERSION OF
THE PRESENTATION MADE BY COL. CONTRERAS THE PREVIOUS WEEK
AND THE U.S. TABLED A SUMMARY OF THE REPLY MADE BY GENERAL
DOLVIN. AT THE JULY 20 MEETING OF THE NEGOTIATORS, THE U.S.
SIDE EMPHASIZED THAT IT WOULD NOT BE ABLE TO OFFER FURTHER
COMPROMISES ON THIS ISSUE.

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2. POLICY REVIEW COMMITTEE (PRC). THE PRC MET JULY 22 TO CONSIDER THE ECONOMIC ARRANGEMENTS INVOLVED IN THE TREATY NEGOTIATIONS. ALSO ON THE MEETING'S AGENDA WAS THE ISSUE OF LANDS AND WATERS.

3. MEDIA COVERAGE. PRESIDENT CARTER'S JULY 21 REMARKS ON PANAMA IN A TOWN MEETING IN YAZOO CITY, MISS. RECEIVED

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SUBSTANTIAL COVERAGE. STORY HEADLINED "CARTER BACKS NEW CANAL" WAS CARRIED ON FRONT PAGE OF JULY 22 WASHINGTON POST. THIS AND OTHER U.S. COVERAGE HAVE FOCUSED MOSTLY ON THE PART OF HIS REMARKS ABOUT A SEA-LEVEL CANAL AND RELATING THAT TO THE ON-GOING TREATY NEGOTIATIONS. THE PANAMANIAN PRESS MAY WELL EMPHASIZE OTHER ASPECTS, E.G., RETAINING "PARTIAL SOVEREIGNTY", POST TREATY DEFENSE RIGHTS, AND PRIORITY TRANSIT FOR U.S. WARSHIPS.

4. ENVIRONMENT. FSO MONCRIEF SPEAR HAS BEGUN TO WORK ON THE ENVIRONMENTAL ASPECTS OF A NEW TREATY. HE HAS BEEN CONSULTING WITH DOD, THE PANAMA CANAL COMPANY IN WASHINGTON AND OTHER INTERESTED PARTIES. HE PLANS TO VISIT PANAMA LATER IN THE SUMMER.

5. BRANDES CONSULTATION. DR. ELY BRANDES OF THE INTER-NATIONAL RESEARCH ASSOCIATES SPENT THE WEEK OF JULY 18-
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22 IN THE DEPARTMENT. THE PURPOSE OF HIS VISIT WAS TO CONSULT WITH THE U.S. NEGOTIATORS AND SENIOR DEPARTMENT OFFICERS AND THEIR STAFF ON FUTURE YEAR CANAL TRAFFIC AND TOLL REVENUE PROJECTIONS.

6. SENATE HEARINGS. SEN. ALLEN'S JUDICIARY SUBCOMITTEE ON SEPARATION OF POWERS BEGAN OPEN HEARINGS ON THE PANAMA CANAL NEGOTIATIONS JULY 22 AND HEARD TESTIMONY BY CANAL ZONE GOVERNOR PARFITT, SOUTHCOM COMMANDER GEN. MCAULIFFE, SEN. GRAVEL (ON HIS SEA LEVEL CANAL PROPOSAL), REP. JOHN MURPHY, SEN. HELMS, FORMER STATE DEPT. LEGAL ADVISER LEONARD MEEKER, AND OTHER WITNESSES. ALTHOUGH THE PURPOSE OF THE HEARINGS WAS TO LOOK INTO THE CONSTITUTIONAL AUTHORITY FOR TRANSFER OF PROPERTY UNDER A PANAMA CANAL TREATY, QUESTIONING BY THE SUB-COMMITTEE RANGED BROADLY OVER THE DESIRABILITY OF A NEW TREATY ON ECONOMIC, SECURITY AND FOREIGN POLICY GROUNDS. SEN. ALLEN ANNOUNCED THAT THE SUBCOMMITTEE ALSO INTENDED TO LOOK INTO CONSTITUTIONAL QUESTIONS RAISED BY ECONOMIC ASSISTANCE ARRANGEMENTS OUTSIDE A NEW CANAL TREATY. HE SUGGESTED SUCH ASSISTANCE SHOULD BE CONSIDERED BY THE SENATE AS AN INTEGRAL PART OF THE TREATY, I.E. BE

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SUBJECT TO A TWO-THIRDS VOTE. SENATORS PRESENT BESIDES ALLEN WERE SCOTT AND HATCH. THE HEARINGS WILL RESUME JULY 29. VANCE

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Concepts: NEGOTIATIONS, POLITICAL SUMMARIES
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Copy: SINGLE
Sent Date: 22-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
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